

111TH CONGRESS
1ST SESSION

S. 1254

To provide for identification of misaligned currency, require action to correct the misalignment, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 11, 2009

Mr. SCHUMER (for himself and Mr. GRAHAM) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To provide for identification of misaligned currency, require action to correct the misalignment, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Currency Exchange
5 Rate Oversight Reform Act of 2009”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) ADMINISTERING AUTHORITY.—The term
9 “administering authority” means the authority re-

ferred to in section 771(1) of the Tariff Act of 1930
(19 U.S.C. 1677(1)).

(2) AGREEMENT ON GOVERNMENT PROCUREMENT.—The term “Agreement on Government Procurement” means the agreement referred to in section 101(d)(17) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(17)).

(3) COUNTRY.—The term “country” means a foreign country, dependent territory, or possession of a foreign country, and may include an association of 2 or more foreign countries, dependent territories, or possessions of countries into a customs union outside the United States.

(4) EXPORTING COUNTRY.—The term “exporting country” means the country in which the subject merchandise is produced or manufactured.

(5) FUNDAMENTAL MISALIGNMENT.—The term “fundamental misalignment” means a significant and sustained undervaluation of the prevailing real effective exchange rate, adjusted for cyclical and transitory factors, from its medium-term equilibrium level.

(6) FUNDAMENTALLY MISALIGNED CURRENCY.—The term “fundamentally misaligned cur-

1 rency” means a foreign currency that is in funda-
 2 mental misalignment.

3 (7) REAL EFFECTIVE EXCHANGE RATE.—The
 4 term “real effective exchange rate” means a weight-
 5 ed average of bilateral exchange rates, expressed in
 6 price-adjusted terms.

7 (8) SECRETARY.—The term “Secretary” means
 8 the Secretary of the Treasury.

9 (9) STERILIZATION.—The term “sterilization”
 10 means domestic monetary operations taken to neu-
 11 tralize the monetary impact of increases in reserves
 12 associated with intervention in the currency ex-
 13 change market.

14 (10) SUBJECT MERCHANDISE.—The term “sub-
 15 ject merchandise” means the merchandise subject to
 16 an antidumping investigation, review, suspension
 17 agreement, or order referred to in section 771(25) of
 18 the Tariff Act of 1930 (19 U.S.C. 1677(25)).

19 (11) WTO AGREEMENT.—The term “WTO
 20 Agreement” means the agreement referred to in sec-
 21 tion 2(9) of the Uruguay Round Agreements Act (19
 22 U.S.C. 3501(9)).

23 **SEC. 3. REPORT ON INTERNATIONAL MONETARY POLICY**
 24 **AND CURRENCY EXCHANGE RATES.**

25 (a) REPORTS REQUIRED.—

1 (1) IN GENERAL.—Not later than March 15
2 and September 15 of each calendar year, the Sec-
3 retary, after consulting with the Chairman of the
4 Board of Governors of the Federal Reserve System
5 and the Advisory Committee on International Ex-
6 change Rate Policy, shall submit to Congress, a
7 written report on international monetary policy and
8 currency exchange rates.

9 (2) CONSULTATIONS.—On or before March 30
10 and September 30 of each calendar year, the Sec-
11 retary shall appear, if requested, before the Com-
12 mittee on Banking, Housing, and Urban Affairs and
13 the Committee on Finance of the Senate and the
14 Committee on Financial Services and the Committee
15 on Ways and Means of the House of Representatives
16 to provide testimony on the reports submitted pursu-
17 ant to paragraph (1).

18 (b) CONTENT OF REPORTS.—Each report submitted
19 under subsection (a) shall contain—

20 (1) an analysis of currency market develop-
21 ments and the relationship between the United
22 States dollar and the currencies of major economies
23 and trading partners of the United States;

24 (2) a review of the economic and monetary poli-
25 cies of major economies and trading partners of the

1 United States, and an evaluation of how such poli-
2 cies impact currency exchange rates;

3 (3) a description of any currency intervention
4 by the United States or other major economies or
5 trading partners of the United States, or other ac-
6 tions undertaken to adjust the actual exchange rate
7 relative to the United States dollar;

8 (4) an evaluation of the domestic and global
9 factors that underlie the conditions in the currency
10 markets, including—

11 (A) monetary and financial conditions;

12 (B) accumulation of foreign assets;

13 (C) macroeconomic trends;

14 (D) trends in current and financial ac-
15 count balances;

16 (E) the size, composition, and growth of
17 international capital flows;

18 (F) the impact of the external sector on
19 economic growth;

20 (G) the size and growth of external indebt-
21 edness;

22 (H) trends in the net level of international
23 investment; and

24 (I) capital controls, trade, and exchange
25 restrictions;

1 (5) a list of currencies designated as fundamen-
2 tally misaligned currencies pursuant to section
3 4(a)(2), and a description of any economic models or
4 methodologies used to establish the list;

5 (6) a list of currencies designated for priority
6 action pursuant to section 4(a)(3);

7 (7) an identification of the nominal value asso-
8 ciated with the medium-term equilibrium exchange
9 rate, relative to the United States dollar, for each
10 currency listed under paragraph (6);

11 (8) a description of any consultations conducted
12 or other steps taken pursuant to section 5, 6, or 7,
13 including any actions taken to eliminate the funda-
14 mental misalignment; and

15 (9) a description of any determination made
16 pursuant to section 9(a).

17 (c) CONSULTATIONS.—The Secretary shall consult
18 with the Chairman of the Board of Governors of the Fed-
19 eral Reserve System and the Advisory Committee on
20 International Exchange Rate Policy with respect to the
21 preparation of each report required under subsection (a).
22 Any comments provided by the Chairman of the Board
23 of Governors of the Federal Reserve System or the Advi-
24 sory Committee on International Exchange Rate Policy
25 shall be submitted to the Secretary not later than the date

1 that is 15 days before the date each report is due under
2 subsection (a). The Secretary shall submit the report to
3 Congress after taking into account all such comments re-
4 ceived.

5 **SEC. 4. IDENTIFICATION OF FUNDAMENTALLY MISALIGNED**
6 **CURRENCIES.**

7 (a) IDENTIFICATION.—

8 (1) IN GENERAL.—The Secretary shall analyze
9 on a semiannual basis the prevailing real effective
10 exchange rates of foreign currencies.

11 (2) DESIGNATION OF FUNDAMENTALLY MIS-
12 ALIGNED CURRENCIES.—With respect to the cur-
13 rencies of countries that have significant bilateral
14 trade flows with the United States, and currencies
15 that are otherwise significant to the operation, sta-
16 bility, or orderly development of regional or global
17 capital markets, the Secretary shall determine
18 whether any such currency is in fundamental mis-
19 alignment and shall designate such currency as a
20 fundamentally misaligned currency.

21 (3) DESIGNATION OF CURRENCIES FOR PRI-
22 ORITY ACTION.—The Secretary shall designate a
23 currency identified under paragraph (2) for priority
24 action if the country that issues such currency is—

1 (A) engaging in protracted large-scale
 2 intervention in one direction in the currency ex-
 3 change market, particularly if accompanied by
 4 partial or full sterilization;

5 (B) engaging in excessive and prolonged
 6 official or quasi-official accumulation of foreign
 7 assets, for balance of payments purposes;

8 (C) introducing or substantially modifying
 9 for balance of payments purposes a restriction
 10 on, or incentive for, the inflow or outflow of
 11 capital, that is inconsistent with the goal of
 12 achieving full currency convertibility; or

13 (D) pursuing any other policy or action
 14 that, in the view of the Secretary, warrants des-
 15 ignation for priority action.

16 (b) REPORTS.—The Secretary shall include a list of
 17 any foreign currency designated under paragraph (2) or
 18 (3) of subsection (a) in each report required by section
 19 3.

20 **SEC. 5. NEGOTIATIONS AND CONSULTATIONS.**

21 (a) IN GENERAL.—Upon designation of a currency
 22 pursuant to section 4(a)(2), the Secretary shall seek to
 23 consult bilaterally with the country that issues such cur-
 24 rency in order to facilitate the adoption of appropriate
 25 policies to address the fundamental misalignment.

1 (b) CONSULTATIONS INVOLVING CURRENCIES DES-
2 IGNATED FOR PRIORITY ACTION.—With respect to each
3 currency designated for priority action pursuant to section
4 4(a)(3), the Secretary shall, in addition to seeking to con-
5 sult with a country pursuant to subsection (a)—

6 (1) seek the advice of the International Mone-
7 tary Fund with respect to the Secretary’s findings in
8 the report submitted to Congress pursuant to section
9 3(a); and

10 (2) encourage other governments, whether bilat-
11 erally or in appropriate multinational fora, to join
12 the United States in seeking the adoption of appro-
13 priate policies by the country described in subsection
14 (a) to eliminate the fundamental misalignment.

15 **SEC. 6. FAILURE TO ADOPT APPROPRIATE POLICIES.**

16 (a) IN GENERAL.—Not later than 90 days after the
17 date on which a currency is designated for priority action
18 pursuant to section 4(a)(3), the Secretary shall determine
19 whether the country that issues such currency has adopted
20 appropriate policies, and taken identifiable action, to
21 eliminate the fundamental misalignment. The Secretary
22 shall promptly notify Congress of such determination and
23 publish notice of the determination in the Federal Reg-
24 ister. If the Secretary determines that the country that
25 issues such currency has failed to adopt appropriate poli-

1 cies, or take identifiable action, to eliminate the funda-
 2 mental misalignment, the following shall apply with re-
 3 spect to the country until a notification described in sec-
 4 tion 7(b) is published in the Federal Register:

5 (1) ADJUSTMENT UNDER ANTIDUMPING LAW.—

6 For purposes of an antidumping investigation or re-
 7 view under subtitle B of title VII of the Tariff Act
 8 of 1930 (19 U.S.C. 1673 et seq.) the following shall
 9 apply:

10 (A) IN GENERAL.—The administering au-
 11 thority shall ensure a fair comparison between
 12 the export price and the normal value by ad-
 13 justing the price used to establish export price
 14 or constructed export price to reflect the funda-
 15 mental misalignment of the currency of the ex-
 16 porting country.

17 (B) SALES SUBJECT TO ADJUSTMENT.—

18 The adjustment described in subparagraph (A)
 19 shall apply with respect to subject merchandise
 20 sold on or after the date that is 30 days after
 21 the date the currency of the exporting country
 22 is designated for priority action pursuant to
 23 section 4(a)(3).

24 (2) FEDERAL PROCUREMENT.—

1 (A) IN GENERAL.—The President shall
2 prohibit the procurement by the Federal Gov-
3 ernment of products or services from the coun-
4 try.

5 (B) EXCEPTION.—The prohibition pro-
6 vided for in subparagraph (A) shall not apply
7 with respect to a country that is a party to the
8 Agreement on Government Procurement.

9 (3) REQUEST FOR IMF ACTION.—The United
10 States shall inform the Managing Director of the
11 International Monetary Fund of the failure of the
12 country to adopt appropriate policies, or to take
13 identifiable action, eliminate the fundamental mis-
14 alignment, and the actions the country is engaging
15 in that are identified in section 4(a)(3), and shall re-
16 quest that the Managing Director of the Inter-
17 national Monetary Fund—

18 (A) consult with such country regarding
19 the observance of the country's obligations
20 under article IV of the International Monetary
21 Fund Articles of Agreement, including through
22 special consultations, if necessary; and

23 (B) formally report the results of such con-
24 sultations to the Executive Board of the Inter-

1 national Monetary Fund within 180 days of the
2 date of such request.

3 (4) OPIC FINANCING.—The Overseas Private
4 Investment Corporation shall not approve any new
5 financing (including insurance, reinsurance, or guar-
6 antee) with respect to a project located within the
7 country.

8 (5) MULTILATERAL BANK FINANCING.—The
9 Secretary shall instruct the United States Executive
10 Director at each multilateral bank to oppose the ap-
11 proval of any new financing (including loans, other
12 credits, insurance, reinsurance, or guarantee) to the
13 government of the country or for a project located
14 within the country.

15 (b) WAIVER.—

16 (1) IN GENERAL.—The President may waive
17 any action provided for under subsection (a) if the
18 President determines that—

19 (A) taking such action would cause serious
20 harm to the national security of the United
21 States; or

22 (B) it is in the vital economic interest of
23 the United States to do so and taking such ac-
24 tion would have an adverse impact on the

1 United States economy greater than the bene-
2 fits of such action.

3 (2) NOTIFICATION.—The President shall
4 promptly notify Congress of a determination under
5 paragraph (1) (and the reasons for the determina-
6 tion, if made under paragraph (1)(B)) and shall
7 publish notice of the determination (and the reasons
8 for the determination, if made under paragraph
9 (1)(B)) in the Federal Register.

10 (c) REPORTS.—The Secretary shall describe any ac-
11 tion or determination pursuant to subsection (a) or (b)
12 in the first semiannual report required by section 3 after
13 the date of such action or determination.

14 **SEC. 7. PERSISTENT FAILURE TO ADOPT APPROPRIATE**
15 **POLICIES.**

16 (a) PERSISTENT FAILURE TO ADOPT APPROPRIATE
17 POLICIES.—Not later than 360 days after the date on
18 which a currency is designated for priority action pursuant
19 to section 4(a)(3), the Secretary shall determine whether
20 the country that issues such currency has adopted appro-
21 priate policies, and taken identifiable action, to eliminate
22 the fundamental misalignment. The Secretary shall
23 promptly notify Congress of such determination and shall
24 publish notice of the determination in the Federal Reg-
25 ister. If the Secretary determines that the country that

1 issues such currency has failed to adopt appropriate poli-
2 cies, or take identifiable action, to eliminate the funda-
3 mental misalignment, in addition to the provisions of sec-
4 tion 6(a), the following shall apply with respect to the
5 country until a notification described in subsection (b) is
6 published in the Federal Register:

7 (1) ACTION AT THE WTO.—The United States
8 Trade Representative shall request consultations in
9 the World Trade Organization with the country re-
10 garding the consistency of the country's actions with
11 its obligations under the WTO Agreement.

12 (2) REMEDIAL INTERVENTION.—

13 (A) IN GENERAL.—The Secretary shall
14 consult with the Board of Governors of the
15 Federal Reserve System to consider under-
16 taking remedial intervention in international
17 currency markets in response to the funda-
18 mental misalignment of the currency designated
19 for priority action, and coordinating such inter-
20 vention with other monetary authorities and the
21 International Monetary Fund. In doing so, the
22 Secretary shall consider the impact of such
23 intervention on domestic economic growth and
24 stability, including the impact on interest rates.

1 (B) NOTICE TO COUNTRY.—At the same
2 time the Secretary takes action under subpara-
3 graph (A), the Secretary shall notify the coun-
4 try that issues such currency of the consulta-
5 tions under subparagraph (A).

6 (b) NOTIFICATION.—The Secretary shall promptly
7 notify Congress when a country that issues a currency des-
8 ignated for priority action pursuant to section 4(a)(3)
9 adopts appropriate policies, or takes identifiable action, to
10 eliminate the fundamental misalignment, and publish no-
11 tice of the action of that country in the Federal Register.

12 (c) WAIVER.—

13 (1) IN GENERAL.—The President may waive
14 any action provided for under this section, or extend
15 any waiver provided for under section 6(b), if the
16 President determines that—

17 (A) taking such action would cause serious
18 harm to the national security of the United
19 States; or

20 (B) it is in the vital economic interest of
21 the United States to do so, and that taking
22 such action would have an adverse impact on
23 the United States economy substantially out of
24 proportion to the benefits of such action.

1 (2) NOTIFICATION.—The President shall
 2 promptly notify Congress of a determination under
 3 paragraph (1) (and the reasons for the determina-
 4 tion, if made under paragraph (1)(B)) and shall
 5 publish notice of the determination (and the reasons
 6 for the determination, if made under paragraph
 7 (1)(B)) in the Federal Register.

8 (d) DISAPPROVAL OF WAIVER.—If the President
 9 waives an action pursuant to subsection (c)(1)(B), or ex-
 10 tends a waiver provided for under section 6(b)(1)(B), the
 11 waiver shall cease to have effect upon the enactment of
 12 a joint resolution described in section 8(a)(2).

13 (e) REPORTS.—The Secretary shall describe any ac-
 14 tion or determination pursuant to subsection (a), (b), or
 15 (c) in the first semiannual report required by section 3
 16 after the date of such action or determination.

17 **SEC. 8. CONGRESSIONAL DISAPPROVAL OF WAIVER.**

18 (a) RESOLUTION OF DISAPPROVAL.—

19 (1) INTRODUCTION.—If a resolution of dis-
 20 approval is introduced in the House of Representa-
 21 tives or the Senate during the 90-day period (not
 22 counting any day which is excluded under section
 23 154(b)(1) of the Trade Act of 1974 (19 U.S.C.
 24 2194(b)(1)), beginning on the date on which the
 25 President first notifies Congress of a determination

1 to waive action with respect to a country pursuant
 2 to section 7(c)(1)(B), that resolution of disapproval
 3 shall be considered in accordance with this sub-
 4 section.

5 (2) RESOLUTION OF DISAPPROVAL.—In this
 6 subsection, the term “resolution of disapproval”
 7 means only a joint resolution of the two Houses of
 8 the Congress, the sole matter after the resolving
 9 clause of which is as follows: “That Congress does
 10 not approve the determination of the President
 11 under section 7(c)(1)(B) of the Currency Exchange
 12 Rate Oversight Reform Act of 2009 with respect to
 13 _____, of which Congress was notified on
 14 _____.”, with the first blank space being filled
 15 with the name of the appropriate country and the
 16 second blank space being filled with the appropriate
 17 date.

18 (3) PROCEDURES FOR CONSIDERING RESOLU-
 19 TIONS.—

20 (A) INTRODUCTION AND REFERRAL.—Res-
 21 olutions of disapproval—

22 (i) in the House of Representatives—

23 (I) may be introduced by any
 24 Member of the House;

1 (II) shall be referred to the Com-
 2 mittee on Financial Services and, in
 3 addition, to the Committee on Rules;
 4 and

5 (III) may not be amended by ei-
 6 ther Committee; and

7 (ii) in the Senate—

8 (I) may be introduced by any
 9 Member of the Senate;

10 (II) shall be referred to the Com-
 11 mittee on Banking, Housing, and
 12 Urban Affairs; and

13 (III) may not be amended.

14 (B) COMMITTEE DISCHARGE AND FLOOR
 15 CONSIDERATION.—The provisions of sub-
 16 sections (c) through (f) of section 152 of the
 17 Trade Act of 1974 (other than paragraph (3)
 18 of such subsection (f)) (19 U.S.C. 2192(c)
 19 through (f)) (relating to committee discharge
 20 and floor consideration of certain resolutions in
 21 the House and Senate) apply to a joint resolu-
 22 tion of disapproval under this section to the
 23 same extent as such subsections apply to joint
 24 resolutions under such section 152.

1 (b) RULES OF HOUSE OF REPRESENTATIVES AND
 2 SENATE.—This section is enacted by Congress—

3 (1) as an exercise of the rulemaking power of
 4 the House of Representatives and the Senate, re-
 5 spectively, and as such is deemed a part of the rules
 6 of each House, respectively, and the rules provided
 7 for in this section supersede other rules only to the
 8 extent that they are inconsistent with such other
 9 rules; and

10 (2) with the full recognition of the constitu-
 11 tional right of either House to change the rules pro-
 12 vided for in this section (so far as relating to the
 13 procedures of that House) at any time, in the same
 14 manner, and to the same extent as any other rule
 15 of that House.

16 **SEC. 9. INTERNATIONAL FINANCIAL INSTITUTION GOVERN-**
 17 **ANCE ARRANGEMENTS.**

18 (a) INITIAL REVIEW.—Notwithstanding any other
 19 provision of law, before the United States approves a pro-
 20 posed change in the governance arrangement of any inter-
 21 national financial institution, as defined in section
 22 1701(c)(2) of the International Financial Institutions Act
 23 (22 U.S.C. 262r(c)(2)), the Secretary shall determine
 24 whether any member of the international financial institu-
 25 tion that would benefit from the proposed change, in the

1 form of increased voting shares or representation, has a
 2 currency that was designated a currency for priority action
 3 pursuant to section 4(a)(3) in the most recent report re-
 4 quired by section 3. The determination shall be reported
 5 to Congress.

6 (b) SUBSEQUENT ACTION.—The United States shall
 7 oppose any proposed change in the governance arrange-
 8 ment of the international financial institution (described
 9 in subsection (a)), if the Secretary renders an affirmative
 10 determination pursuant to subsection (a).

11 (c) FURTHER ACTION.—The United States shall con-
 12 tinue to oppose any proposed change in the governance
 13 arrangement of the international financial institution, pur-
 14 suant to subsection (b), until the Secretary determines
 15 and reports to Congress that the proposed change would
 16 not benefit any member of the international financial insti-
 17 tution, in the form of increased voting shares or represen-
 18 tation, that has a currency that is designated a currency
 19 for priority action pursuant to section 4(a)(3).

20 **SEC. 10. ADJUSTMENT FOR FUNDAMENTALLY MISALIGNED**
 21 **CURRENCY DESIGNATED FOR PRIORITY AC-**
 22 **TION.**

23 (a) IN GENERAL.—Subsection (c)(2) of section 772
 24 of the Tariff Act of 1930 (19 U.S.C. 1677a(c)(2)) is
 25 amended—

1 (1) by striking “and” at the end of subpara-
2 graph (A);

3 (2) by striking the period at the end of sub-
4 paragraph (B) and inserting “; and”; and

5 (3) by adding at the end the following:

6 “(C) if required by section 6(a)(1) of the
7 Currency Exchange Rate Oversight Reform Act
8 of 2009, the percentage by which the domestic
9 currency of the producer or exporter is under-
10 valued in relation to the United States dollar.”.

11 (b) CALCULATION METHODOLOGY.—Section 771 of
12 the Tariff Act of 1930 (19 U.S.C. 1677) is amended by
13 adding at the end the following:

14 “(37) PERCENTAGE UNDERVALUATION.—The
15 administering authority shall determine the percent-
16 age by which the domestic currency of the producer
17 or exporter is undervalued in relation to the United
18 States dollar by comparing the nominal value associ-
19 ated with the medium-term equilibrium exchange
20 rate of the domestic currency of the producer or ex-
21 porter, identified by the Secretary pursuant to sec-
22 tion 3(b)(7) of the Currency Exchange Rate Over-
23 sight Reform Act of 2009, to the official daily ex-
24 change rate identified by the administering authority
25 for purposes of antidumping proceedings.”.

1 **SEC. 11. NONMARKET ECONOMY STATUS.**

2 Paragraph (18)(B) of section 771 of the Tariff Act
3 of 1930 (19 U.S.C. 1677(18)(B)) is amended—

4 (1) by striking “and” at the end of clause (v);

5 and

6 (2) by redesignating clause (vi) as clause (vii)

7 and inserting after clause (v) the following:

8 “(vi) whether the currency of the for-
9 eign country is designated a currency for
10 priority action pursuant to section 4(a)(3)
11 of the Currency Exchange Rate Oversight
12 Reform Act of 2009, and”.

13 **SEC. 12. APPLICATION TO CANADA AND MEXICO.**

14 Pursuant to article 1902 of the North American Free
15 Trade Agreement and section 408 of the North American
16 Free Trade Agreement Implementation Act (19 U.S.C.
17 3438), section 6(a)(1) and the amendments made by sec-
18 tions 10 and 11 shall apply with respect to goods from
19 Canada and Mexico.

20 **SEC. 13. ADVISORY COMMITTEE ON INTERNATIONAL EX-**
21 **CHANGE RATE POLICY.**

22 (a) ESTABLISHMENT.—

23 (1) IN GENERAL.—There is established an Ad-
24 visory Committee on International Exchange Rate
25 Policy (in this section referred to as the “Com-
26 mittee”). The Committee shall be responsible for—

(A) advising the Secretary in the preparation of each report to Congress on international monetary policy and currency exchange rates, provided for in section 3; and

(B) advising Congress and the President with respect to—

(i) international exchange rates and financial policies; and

(ii) the impact of such policies on the economy of the United States.

(2) MEMBERSHIP.—

(A) IN GENERAL.—The Committee shall be composed of 9 members as follows, none of whom shall be from the Federal Government:

(i) CONGRESSIONAL APPOINTEES.—

(I) SENATE APPOINTEES.—Four persons shall be appointed by the President pro tempore of the Senate, upon the recommendation of the chairmen and ranking members of the Committee on Banking, Housing, and Urban Affairs and the Committee on Finance of the Senate.

(II) HOUSE APPOINTEES.—Four persons shall be appointed by the

1 Speaker of the House of Representa-
2 tives upon the recommendation of the
3 chairmen and ranking members of the
4 Committee on Financial Services and
5 the Committee on Ways and Means of
6 the House of Representatives.

7 (ii) PRESIDENTIAL APPOINTEE.—One
8 person shall be appointed by the President.

9 (B) QUALIFICATIONS.—Persons shall be
10 selected under subparagraph (A) on the basis of
11 their objectivity and demonstrated expertise in
12 finance, economics, or currency exchange.

13 (3) TERMS.—Members shall be appointed for a
14 term of 4 years or until the Committee terminates.
15 An individual may be reappointed to the Committee
16 for additional terms.

17 (4) VACANCIES.—Any vacancy in the Com-
18 mittee shall not affect its powers, but shall be filled
19 in the same manner as the original appointment.

20 (b) DURATION OF COMMITTEE.—Notwithstanding
21 section 14(c) of the Federal Advisory Committee Act (5
22 U.S.C. App.), the Committee shall terminate on the date
23 that is 4 years after the date of the enactment of this
24 Act unless renewed by the President pursuant to section
25 14 of the Federal Advisory Committee Act (5 U.S.C.

1 App.) for a subsequent 4-year period. The President may
2 continue to renew the Committee for successive 4-year pe-
3 riods by taking appropriate action prior to the date on
4 which the Committee would otherwise terminate.

5 (c) PUBLIC MEETINGS.—The Committee shall hold
6 at least 2 public meetings each year for the purpose of
7 accepting public comments, including comments from
8 small business owners. The Committee shall also meet as
9 needed at the call of the Secretary or at the call of two-
10 thirds of the members of the Committee.

11 (d) CHAIRPERSON.—The Committee shall elect from
12 among its members a chairperson for a term of 4 years
13 or until the Committee terminates. A chairperson of the
14 Committee may be reelected chairperson but is ineligible
15 to serve consecutive terms as chairperson.

16 (e) STAFF.—The Secretary shall make available to
17 the Committee such staff, information, personnel, admin-
18 istrative services, and assistance as the Committee may
19 reasonably require to carry out its activities.

20 (f) APPLICATION OF FEDERAL ADVISORY COM-
21 MITTEE ACT.—

22 (1) IN GENERAL.—The provisions of the Fed-
23 eral Advisory Committee Act (5 U.S.C. App.) shall
24 apply to the Committee.

1 (2) EXCEPTION.—Except for the 2 annual pub-
 2 lic meetings required under subsection (c), meetings
 3 of the Committee shall be exempt from the require-
 4 ments of subsections (a) and (b) of sections 10 and
 5 11 of the Federal Advisory Committee Act (relating
 6 to open meetings, public notice, public participation,
 7 and public availability of documents), whenever and
 8 to the extent it is determined by the President or the
 9 Secretary that such meetings will be concerned with
 10 matters the disclosure of which would seriously com-
 11 promise the development by the United States Gov-
 12 ernment of monetary and financial policy.

13 **SEC. 14. REPEAL OF THE EXCHANGE RATES AND INTER-**
 14 **NATIONAL ECONOMIC POLICY COORDINA-**
 15 **TION ACT OF 1988.**

16 The Exchange Rates and International Economic
 17 Policy Coordination Act of 1988 (22 U.S.C. 5301 et seq.)
 18 is repealed.

○